GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1310
ANSWERED ON:09.02.2017
Gap between Power Generation Cost and Consumer Electricity Charges
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Will the Minister of POWER be pleased to state:

(a) whether there is a huge gap between the average power generation cost and the price at which consumers purchase power;

(b) if so, the details thereof; and

(c) the average power generation cost through various sources and the minimum/ maximum price at which power is sold to the consumers in each State, State-wise?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (c) : There exists a gap between cost of generation/generation tariff and sale price/cost of supply to the end consumer. This is due to the fact that the cost of supply to the end consumers include, in addition to the generation tariff, the transmission charges, transmission losses, distribution network charges, distribution losses and commercial losses etc. As per information made available by Central Electricity Authority (CEA), the all India average cost of power generation through Thermal, Hydro and Nuclear Power Stations for the year 2014-15 are as under:

Power Station Average cost of Generation (in paise/KWh)
Hydro 241
Thermal 333
Nuclear 276

As per information made available by CEA, the state-wise and utility-wise gap of cost of generation of power and the cost of consumer purchase price is given at Annex.

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